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ABSTRACT

Palomar College (California), the only college in its district, serves a region which is expanding economically in agriculture, light industry, retail, and recreational facilities. Enrollment for fall 1978 was 14,800 with 204 full-time teachers, 166 part-time teachers, and 42 full-time teacher aides. Budget expenditures were $24.8 million for 1977-78; because of Proposition 13 a budget of $23.7 million was projected for 1978-79. Legal constraints on budget reductions involve certified employees and their salaries, enrollment reduction compensations, and consideration of potential loss of state funding due to reduction of student weekly contact hours were all factors in overall budget planning. The adopted budget included the following: (1) 1977-78 salary schedules for certificated and classified employees; (2) allocations for hourly pay which eliminated the need for an overload policy; (3) additional funds for fringe benefits program; (4) a contingency account for salary increases; (5) funds to implement the California State Personnel Board recommendations; (6) allowances for a modified sabbatical leave plan; (7) temporary elimination of certificated and classified positions; (8) assignment of non-teaching certificated staff to the classroom; (9) reduction in classified overtime and adult hourly expenditures; (10) reductions in membership, replacement of equipment, travel, and graduation accounts; (11) reduction in community services; and (12) reduction in capital outlay. (MB)

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INSTITUTIONAL RESPONSES TO FORCED BUDGET REDUCTIONS

by Omar H. Scheidt

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The Taxpayer Revolt: Where Do We Go From Here?

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INSTITUTIONAL RESPONSES TO FORCED BUDGET REDUCTIONS

DURING THE LAST TWO DAYS YOU HAVE HEARD FROM DR. KOLTAI, CHANCELLOR, LOS ANGELES COMMUNITY COLLEGE DISTRICT, AND DR. SUSSMAN, CHANCELLOR, SAN FRANCISCO COMMUNITY COLLEGE DISTRICT. LES AND HERB REPRESENT COLLEGES SERVING LARGE METROPOLITAN AREAS.

BEFORE I REPORT ON PALOMAR COLLEGE'S RESPONSE TO BUDGET REDUCTION IT MAY BE OF VALUE FOR YOU TO KNOW OUR BASE OF OPERATION. THE PALOMAR COMMUNITY COLLEGE DISTRICT, LOCATED IN SOUTHERN CALIFORNIA, ENCOMPASSES OVER 2,500 SQUARE MILES IN THE NORTHERN HALF OF SAN DIEGO COUNTY. MAJOR CITIES WITHIN THE DISTRICT INCLUDE ESCONDIDO (POPULATION 57,000), POWAY (39,000), AND VISTA (32,000).

PALOMAR COLLEGE, THE SOLE CAMPUS OPERATED BY THE DISTRICT, IS GOVERNED BY A BOARD OF FIVE MEMBERS ELECTED AT LARGE, AND IS LOCATED IN THE CITY OF SAN MARCOS (POPULATION 14,000), 45 MILES NORTH OF SAN DIEGO AND 12 MILES FROM THE PACIFIC OCEAN AT OCEANSIDE. THE REGION IS EXPANDING ECONOMICALLY, AND INCLUDES AGRICULTURE, LIGHT INDUSTRY AS WELL AS RETAIL AND RECREATIONAL FACILITIES.

PALOMAR COLLEGE'S ENROLLMENT FOR FALL SEMESTER 1978, TOTALS NEARLY 14,800 WITH 8,050 DAY STUDENTS, 6,000 EVENING STUDENTS AND 750 ENROLLED IN CONTINUING EDUCATION CLASSES.

THE STAFF AT THE COLLEGE DURING 1978-79 IS 204 FTE FULL-TIME TEACHERS, 166 FTE PART-TIME TEACHERS, AND 42 FTE TEACHER AIDES.

TO GIVE YOU A COMPARISON OF BUDGETS, THE CURRENT EXPENSE OF EDUCATION PLAN FOR 1977-78 WAS $16,000,000 AND FOR 1978-79 IT IS $15,400,000. IF WE INCLUDE CAPITAL OUTLAY, TUITION TRANSFERS AND RESERVES, THE 1977-78 EXPENDITURE PLAN WAS $24,800,000 AND FOR 1978-79 IT IS $23,700,000.

BEFORE I PROCEED WITH A REVIEW OF PALOMAR'S PLANNING FOR PROPOSITION 13 AND ACTUAL ACTIONS TAKEN AFTER PASSAGE OF PROPOSITION 13 IT IS IMPORTANT TO NOTE THAT ALTHOUGH THERE IS A COLLECTIVE BARGAINING LAW IN CALIFORNIA, THERE IS NO NEGOTIATED CONTRACT FOR CERTIFICATED OR CLASSIFIED STAFF AT PALOMAR COLLEGE. THE CERTIFICATED STAFF, TO THIS TIME, HAS CHOSEN NOT TO FORMALLY SELECT A REPRESENTATIVE GROUP TO NEGOTIATE A CONTRACT. THE CLASSIFIED STAFF HAS SELECTED THE CALIFORNIA SCHOOL EMPLOYEES ASSOCIATION AS THE REPRESENTATIVE BODY FOR NEGOTIATIONS, BUT HAS STATED THAT AS LONG AS OPEN COMMUNICATION REMAINS BETWEEN THE EMPLOYEE ORGANIZATION AND THE SUPERINTENDENT, THERE IS NO NEED FOR A FORMAL NEGOTIATED AGREEMENT. BOTH GROUPS HAVE ACCESS TO BUDGET INFORMATION.

THE PASSAGE OF PROPOSITION 13 WAS GAINING MOMENTUM IN JANUARY AS CITIZENS EXPRESSED THEIR REVOLT TO INCREASING TAXES FOR THE SUPPORT OF THE OPERATION OF CITIES, COUNTY AGENCIES, SPECIAL DISTRICTS, SCHOOL DISTRICTS, ETC. IT WAS APPARENT THAT PLANS WERE NECESSARY, FIRST TO ATTEMPT TO DEFEAT PROPOSITION 13 AND SECOND TO PLAN ALTERNATIVES, SHOULD PROPOSITION 13 RECEIVE VOTER APPROVAL. THE COLLEGE ADMINISTRATIVE CABINET, COMPOSED OF THE COLLEGE DEANS AND CHAIRED BY THE SUPERINTENDENT/PRESIDENT, MET TO DISCUSS PRELIMINARY PLANS. REPRESENTATIVES OF THE FACULTY, FACULTY SENATE, CLASSIFIED STAFF AND STUDENTS WERE KEPT INFORMED AND ASKED TO PARTICIPATE IN THE PLANNING PROCESS. PLANNING STRATEGIES WERE ALSO DISCUSSED BY THE ADMINISTRATIVE COUNCIL. THIS BODY CHAIRED BY THE COLLEGE SUPERINTENDENT/PRESIDENT, INCLUDES ALL ADMINISTRATIVE STAFF, PRESIDENTS OF THE FACULTY, FACULTY SENATE, ASSOCIATED STUDENTS, THE CALIFORNIA SCHOOL EMPLOYEES ASSOCIATION AND ONE REPRESENTATIVE FROM BOTH THE C.S.E.A. AND THE ASSOCIATED STUDENTS. THE COUNCIL IS ADVISORY TO THE SUPERINTENDENT/PRESIDENT AND BOARD OF TRUSTEES. AS A GENERAL RULE ALL PROPOSED DISTRICT POLICIES ARE BROUGHT BEFORE THE COUNCIL TO ENSURE THAT ALL SEGMENTS OF THE CAMPUS HAVE AN OPPORTUNITY FOR VOICE IN THE DECISION MAKING PROCESS.

IN EARLY PLANNING STAGES IT WAS AGREED THAT THE COLLEGE JOIN THE STATE CHANCELLOR'S OFFICE IN SUPPORT OF THE "COMMITTEE TO VOTE NO ON PROPOSITION 13". AT THE LOCAL LEVEL IT WAS AGREED TO KEEP THE PUBLIC INFORMED OF THE MISSION OF THE COLLEGE AND THE POTENTIAL IMPACT OF PROPOSITION 13 ON COLLEGE OPERATIONS. FACTS WERE TO BE PRESENTED AS ACCURATELY AS POSSIBLE AND "SCARE" TACTICS AVOIDED. FOR EXAMPLE, SEVERAL OF THE LOCAL UNIFIED SCHOOL DISTRICTS REPORTED TO THE COMMUNITY THAT THEY WOULD OPERATE UNTIL FUNDS RAN OUT AND THEN CLOSE THE SCHOOLS. DEFINATELY A SCARE TACTIC, AND NOT LEGAL! CALIFORNIA LAW REQUIRES THAT EACH DISTRICT MUST SUBMIT AN ANNUAL BUDGET WHICH REQUIRES A MINIMUM OF 175 DAYS OF INSTRUCTION. SHOULD THE DISTRICT NOT BE ABLE TO PROVIDE AN APPROPRIATE ESTIMATED REVENUE TO SUPPORT THE EXPENDITURE PLAN THE COUNTY SUPERINTENDENT WOULD NOT BE ABLE TO APPROVE THE BUDGET AND, THEREFORE, THE SCHOOLS WOULD NOT BE ABLE TO BEGIN THE SCHOOL YEAR.

OTHER RESTRICTIONS TO BUDGET REDUCTION ARE EDUCATION CODE SECTION 87743 WHICH STATES, "NO CERTIFICATED EMPLOYEE MAY BE DEPRIVED OF A POSITION UNLESS THERE HAS BEEN AN ATTENDANCE DROP FOR THE PREVIOUS TWO SCHOOL YEARS, OR THAT A PARTICULAR KIND OF SERVICE IS TO BE REDUCED OR DISCONTINUED NOT LATER THAN THE BEGINNING OF THE FOLLOWING SCHOOL YEAR. SUCH NOTICE OF INTENT TO NOT REHIRE MUST BE GIVEN BEFORE MARCH 15 WITH FINAL NOTICE

BY MAY 15". ALSO EDUCATION CODE 87453 PROVIDES THAT "NO REGULAR EMPLOYEE OF A COMMUNITY COLLEGE DISTRICT SHALL BE DISMISSED WITHOUT HIS CONSENT OR DEPRIVED OF HIS CLASSIFICATION AS A REGULAR EMPLOYEE OF THE DISTRICT WHEN THE DISTRICT DOES NOT HAVE SUFFICIENT FUNDS TO PAY HIS SALARY". REDUCTION OF CLASSIFIED EMPLOYEES IS LIMITED TO "LACK OF WORK OR LACK OF FUNDS" (E. C. 88127). NOTICE REQUIREMENTS FOR CLASSIFIED STAFF (GENERALLY, 30 DAYS ARE SET FOR IN E. C. 88117). YOU MUST UNDERSTAND THE LEGAL GUIDELINES WITHIN WHICH YOU OPERATE AND MAKE EVERY EFFORT TO GIVE ACCURATE REPORTS TO THE COMMUNITY AND STAFF.

ACCEPTING THE FACT THAT A DECLINE IN ENROLLMENT COULD NOT BE USED AS A FACTOR TO REDUCE STAFF AND THAT THERE WAS NOT ENOUGH TIME TO RE-EVALUATE THE MISSION OF THE COLLEGE AND DETERMINE WHICH PROGRAMS OR SERVICES SHOULD BE REDUCED OR ELIMINATED AS A FACTOR TO REDUCE STAFF, IT WAS DECIDED THAT CONTRACT FACULTY AND CLASSIFIED STAFF WOULD BE PROTECTED. NO LAY-OFF NOTICES WERE ISSUED. THIS ACTION ASSURED EACH STAFF MEMBER THAT HE HAD A JOB FOR 1978-79, BUT DID NOT INDICATE THE AMOUNT OF MONEY TO BE PAID FOR SERVICES RENDERED. MAINTAINING HIGH MORALE AMONG MEMBERS OF THE STAFF WAS HIGHLY IMPORTANT THROUGHOUT THE PLANNING PROCESS.

ANOTHER FACTOR WHICH WAS IMPORTANT TO THE BUDGET PLANNING WAS THAT ANY ADJUSTMENTS MADE IN SERVICES OR PROGRAMS

SHOULD NOT CREATE A POTENTIAL LOSS OF STUDENT WEEKLY CONTACT HOURS. SINCE THE COLLEGES ARE FUNDED AT THE STATE LEVEL ON A WSCH BASIS, CONVERTED TO AVERAGE DAILY ATTENDANCE (ADA), ANY LOSS IN STUDENTS WOULD TRANSLATE INTO A LOSS OF STATE REVENUE IN ADDITION TO THE LOSS OF LOCAL REVENUE. AT THE LOCAL LEVEL THE PREDICTED LOSS OF REVENUE WAS 60 PERCENT, A 25 PERCENT DROP IN TOTAL ANTICIPATED REVENUE.

SINCE STAFF POSITIONS WERE PROTECTED, THE NEXT STEP IN PLANNING WAS TO EVALUATE EACH LINE ITEM IN THE BUDGET TO DETERMINE BUDGET REDUCTIONS WHICH WOULD HAVE A MINIMUM IMPACT ON THE EDUCATIONAL PROGRAM. INCOME SOURCES OTHER THAN STATE AND LOCAL REVENUE WERE PROPOSED. ALL SPECIAL RESERVE FUNDS WERE INVESTIGATED TO DETERMINE THE LEGALITY OF TRANSFER TO THE OPERATION BUDGET. ALL POSSIBLE CUTS IN BUDGET WERE TO BE CONSIDERED BEFORE IMPLEMENTING A SALARY DECREASE. AS PLANNING PROCEEDED THE BOARD OF TRUSTEES WAS KEPT INFORMED, BUT NO ACTUAL ACTION WAS REQUESTED. THIS PROVIDED MAXIMUM FLEXIBILITY AS PROPOSED CHANGES IN EXPENDITURE PLANS WERE DISCUSSED BY THE STAFF.

EARLY IN THE PLANNING STAGES IT WAS AGREED THAT STAFF VACANCIES, WHICH OCCURRED DURING THE REMAINDER OF THE 1977-78 FISCAL YEAR, WOULD BE FILLED WITH TEMPORARY STAFF ON AN AS NEEDED BASIS. DELAYS IN PURCHASING, BUILDING REMODELING, AND MAINTENANCE WERE ALSO SUGGESTED AND IMPLEMENTED.

THE BUDGET DEVELOPMENT PROCESS AT PALOMAR INVOLVES TWO BUDGET COMMITTEES, THE ADMINISTRATIVE CABINET AND CAMPUS BUDGET COMMITTEE. THE LATTER COMMITTEE IS COMPOSED OF SIX FACULTY, TWO ADMINISTRATORS, ONE STUDENT AND TWO CLASSIFIED STAFF. DURING THE BUDGET PROCESS THE TWO COMMITTEES EXCHANGED PERTINENT INFORMATION AS THEY REVIEWED PRELIMINARY BUDGET DRAFTS. GENERALLY THE BUDGETS ARE COMPLETED BEFORE THE END OF THE ACADEMIC YEAR, HOWEVER, BECAUSE OF PROPOSITION 13, THE BUDGET COMMITTEE HAD TO CONTINUE MEETINGS DURING THE SUMMER. TO PROVIDE ADDITIONAL INPUT TO THE COMMITTEE, THE FACULTY FORMED AN EMERGENCY FINANCE COMMITTEE. THIS COMMITTEE AND THE C.S.E.A. EXECUTIVE COMMITTEE SERVED AS ADVISORS TO THE BUDGET COMMITTEE.

CALIFORNIA LAW DOES NOT ALLOW BOARDS OF TRUSTEES TO REDUCE SALARIES DURING A FISCAL PERIOD, THEREFORE, IT WAS NECESSARY TO DEVELOP A SALARY SCHEDULE BEFORE JULY 1. IN DEVELOPING SALARY SCHEDULES FOR THE NEW YEAR SEVERAL FACTORS HAD TO BE CONSIDERED. ALTHOUGH THE LEGISLATORS WERE IN THE PROCESS OF PROPOSING LEGISLATION TO ALLOCATE STATE SURPLUS FUNDS TO OFFSET THE LOSS OF LOCAL FUNDS, THE DATE OF PASSAGE AND AMOUNT DISTRICTS WERE TO RECEIVE WERE UNKNOWN. IN ADDITION, THE AMOUNT OF LOCAL TAXES WOULD NOT BE KNOWN UNTIL OCTOBER, NOVEMBER, OR LATER. ALSO, PALOMAR COLLEGE WAS FACED WITH A UNIQUE FEATURE.

FOR SEVERAL YEARS PALOMAR COMMUNITY COLLEGE HAS HAD AN OPEN ENROLLMENT AGREEMENT WITH MIRACOSTA COMMUNITY COLLEGE DISTRICT. THE AGREEMENT PROVIDED THAT EACH COLLEGE WOULD PAY THE CURRENT COST OF EDUCATION FOR RESIDENT STUDENTS ATTENDING THE OUT OF DISTRICT COLLEGE. BECAUSE OF PROPOSITION 13, MIRACOSTA COLLEGE INFORMED PALOMAR THAT THE DISTRICT COULD NO LONGER PAY PALOMAR COLLEGE FOR EDUCATIONAL SERVICES PROVIDED THEIR STUDENTS. THIS AMOUNTED TO APPROXIMATELY 2 MILLION DOLLARS A YEAR. ABOUT 3,300 MIRACOSTA STUDENTS OR 2,125 ADA, WHICH IS APPROXIMATELY ONE-FIFTH OF OUR TOTAL ADA, ATTEND PALOMAR. IT IS ALSO THE DESIRE OF MIRACOSTA TO HAVE THE STUDENTS ATTEND THEIR DISTRICT COLLEGE. I AM SURE YOU UNDERSTAND THE CHAOS THAT WOULD HAVE RESULTED FROM A MASS EXODUS OF 3,300 STUDENTS, PLUS THE LOSS OF $2,000,000. AFTER SEVERAL MEETINGS WITH REPRESENTATIVES OF MIRACOSTA, AN AGREEMENT WAS REACHED IN SEPTEMBER ALLOWING CONTINUANCE OF THE OPEN ENROLLMENT AGREEMENT THROUGH THE ACADEMIC YEAR 1978-79. HOWEVER, CURRENT EXPENSE OF EDUCATION WOULD BE PAID FOR DAY STUDENTS ONLY AND NO PAYMENT WOULD BE MADE FOR USE OF FACILITIES (SEAT TAX). IT WAS ALSO AGREED THAT BEGINNING WITH THE 1979-80 FISCAL PERIOD A PERMIT SYSTEM WOULD BE IMPLEMENTED.

CONSIDERING THE MANY UNKNOWNS AND CONSIDERING ALL POTENTIALLY AVAILABLE FUND CARRY OVERS INTO THE NEXT FISCAL PERIOD, I PRESENTED A PROPOSAL TO REPRESENTATIVES OF THE FACULTY

AND CLASSIFIED STAFF. IT WAS PROPOSED THAT THE 1977-78 SALARY SCHEDULES, INCLUDING INCREMENT AND LONGEVITY PAY, BE RECOMMENDED TO THE BOARD FOR 1978-79. IN ADDITION, A RESOLUTION WOULD BE RECOMMENDED WHICH WOULD ALLOW RETROACTIVE PAY TO JULY 1, SHOULD FUNDS BECOME AVAILABLE DURING THE 1978-79 FISCAL PERIOD FOR SALARY INCREASES. IN RETURN, IN ORDER TO PROTECT THE DISTRICT, IT WAS PROPOSED THAT AN OVERLOAD POLICY BE APPROVED WITH THE UNDERSTANDING THAT SHOULD FUNDS BE AVAILABLE THE POLICY WOULD NOT BE IMPLEMENTED. ONE OF THE FACULTY REPRESENTATIVES WAS NOT PLEASED WITH THIS PORTION OF THE PROPOSAL SINCE IT WAS ELIMINATING A PREVIOUS OVERLOAD ASSIGNMENT WITH PAY. THE ALTERNATIVE TO THE FIRST PROPOSAL WAS TO PRESENT TO THE BOARD A SALARY SCHEDULE WHICH WAS LESS THAN THE 1977-78 SCHEDULE. THE PROPOSAL WAS ALSO PRESENTED TO THE ADMINISTRATIVE COUNCIL AND BOARD OF TRUSTEES. THE APPROVED POLICY IS AS FOLLOWS: "BE IT RESOLVED, THAT THE FOLLOWING EMERGENCY TEACHING LOAD POLICY, BE APPROVED: AS A TEMPORARY MEASURE, THE FOLLOWING TEACHING LOAD POLICY WILL BE IN EFFECT AS OF SEPTEMBER 1978, AND WILL CONTINUE DURING THE PROPOSITION 13 EMERGENCY. THE TEACHING LOAD WILL BE INCREMENTALLY INCREASED BY THREE HOURS, I.E., IN LECTURE CLASSES FROM 12 TO 15 HOURS AND FROM 15 TO 18 HOURS RESPECTIVELY; IN LECTURE-LABORATORY CLASSES FROM 18 TO 21 AND 21 TO 24 RESPECTIVELY. ANY INCREMENTAL INCREASES OVER THREE HOURS WILL BE COMPENSATED FOR AT THE APPROPRIATE HOURLY RATE.

IN KEEPING WITH THE MANDATE FOR MAINTAINING EQUITY THROUGHOUT THE COLLEGE, ALL MEMBERS OF THE ADMINISTRATION AND THE ENTIRE CERTIFICATED SUPPORT STAFF, IN ADDITION TO THEIR REGULAR DUTIES, WILL ASSUME TEACHING OR EXTRA ASSIGNMENTS WITHOUT COMPENSATION. ALL CLASS ASSIGNMENTS WILL BE MADE AFTER CONSULTATION WITH THE APPROPRIATE DEPARTMENT CHAIRPERSON AND DIVISION DEAN. THIS POLICY WILL BE REVIEWED EACH SEMESTER DURING THE EMERGENCY TO DETERMINE THE NECESSITY FOR ITS CONTINUANCE IN LIGHT OF FINANCIAL CONSTRAINTS."

IT SHOULD BE EMPHASIZED THAT SINCE THE POTENTIAL LOSS OF INCOME WAS AN INSTITUTIONAL PROBLEM ALL CERTIFICATED STAFF INCLUDING THE COLLEGE SUPERINTENDENT/PRESIDENT WOULD BE ASSIGNED ADDITIONAL RESPONSIBILITIES.

ANTICIPATING THAT STATE FUNDS WOULD NOT BE AVAILABLE FOR ADULT EDUCATION CLASSES (NON-CREDIT) THE BOARD APPROVED A FLAT RATE OF $10.00 PER HOUR BE PAID TO ADULT EDUCATION HOURLY INSTRUCTORS AND A MINIMUM FEE FOR ADULT EDUCATION NON-CREDIT CLASSES BE SET AT ONE DOLLAR PER CLASS HOUR PER STUDENT. THE BOARD ALSO ESTABLISHED A REVISED USE OF FACILITIES RENTAL FEE SCHEDULE. MANY ORGANIZATIONS WHICH HAD PREVIOUSLY USED THE FACILITIES FREE WOULD NOW PAY A RENTAL FEE. THE BOARD ALSO SUPPORTED THE RECOMMENDATION THAT SUMMER SESSION WOULD PROCEED AS PLANNED. ALTHOUGH SEVERAL COLLEGES CANCELLED CLASSES A FEW DAYS BEFORE SUMMER CLASSES WERE TO BEGIN, OUR

DISTRICT FELT OBLIGATED TO SERVE THE STUDENTS WHO HAD MADE APPLICATION.

THE BUDGET WHICH WAS ADOPTED ON SEPTEMBER 5, 1978 INCLUDED THE FOLLOWING:

(1) THE 1977-78 SALARY SCHEDULES (CERTIFICATED AND CLASSIFIED).

(2) ALLOCATIONS FOR HOURLY PAY, ELIMINATING THE NEED FOR IMPLEMENTATION OF THE EMERGENCY OVERLOAD POLICY.

(3) ADDITIONAL FUNDS TO MAINTAIN FRINGE BENEFITS PROGRAM.

(4) A CONTINGENCY ACCOUNT FOR POSSIBLE SALARY INCREASES - SHOULD THE "STATEWIDE FREEZE" BE ENDED.

(5) FUNDS TO IMPLEMENT THE CALIFORNIA STATE PERSONNEL BOARD RECOMMENDATIONS. THIS STUDY WAS STARTED IN AUGUST OF 1977. UNFORTUNATELY, THE STUDY WAS NOT COMPLETED UNTIL AFTER PROPOSITION 13 WAS APPROVED BY THE VOTERS. BECAUSE OF RESTRICTIVE LANGUAGE IN SB 154, OUR COUNTY COUNSEL HAS ADVISED US THAT THE RECOMMENDED CLASSIFICATION AND SALARY ADJUSTMENTS CANNOT BE CONSIDERED FOR IMPLEMENTATION.

(6) ALLOWANCES FOR IMPLEMENTATION OF A MODIFIED SABBATICAL LEAVE PLAN. (PRESENT POLICY PROVIDES 100 PERCENT SALARY FOR STAFF ON ONE SEMESTER LEAVE AND 50 PERCENT SALARY FOR STAFF REQUESTING ONE YEAR LEAVE.) UNDER THE NEW AGREEMENT SABBATICALS WERE ALLOWED IF ARRANGEMENTS COULD BE MADE AT NO INCREASED COST TO THE DISTRICT. IN ONE OR TWO CASES COLLEAGUES WITHIN THE

DEPARTMENT ACCEPTED OVERLOAD ASSIGNMENTS AT NO ADDITIONAL PAY, SO THAT A LEAVE COULD BE GRANTED.

(7) TEMPORARY ELIMINATION OF POSITIONS, CLASSIFIED AND CERTIFICATED.

(8) ASSIGNMENT OF NON-TEACHING CERTIFICATED STAFF TO THE CLASSROOM.

(9) REDUCTION IN CLASSIFIED OVERTIME AND ADULT HOURLY EXPENDITURES.

(10) REDUCTIONS IN REPLACEMENT OF EQUIPMENT, TRAVEL, MEMBERSHIP, AND GRADUATION ACCOUNTS.

(11) REDUCTIONS IN COMMUNITY SERVICES. (BEFORE PROPOSITION 13 THE DISTRICT WAS ABLE TO LEVY A FIVE CENT PROPERTY TAX OR APPROXIMATELY $700,000 PER YEAR TO OFFER COMMUNITY SERVICES.) THE PROGRAMS WILL NO LONGER BE OFFERED FREE TO THE PUBLIC. OUR ART GALLERY WILL BE ABLE TO OFFER ABOUT ONE-THIRD OF THE NORMAL PROGRAMMINGS.

(12) REDUCTION IN CAPITAL OUTLAY - NEW CONSTRUCTION. THE LOCAL TAX BASE FOR CAPITAL CONSTRUCTION WAS ELIMINATED WITH THE PASSAGE OF PROPOSITION 13. INTERESTINGLY, THE 1978-79 GOVERNOR'S BUDGET INCLUDED $240,000 FOR EQUIPING OUR 420 SEAT CAPACITY THEATER NOW UNDER CONSTRUCTION AND FOR EQUIPMENT AND REMODELING A SPACE AS A TELEVISION PRODUCTION STUDIO, BUT DID NOT PROVIDE FOR THE LOCAL MATCHING OF $181,000. THE STATE

BUDGET ALSO INCLUDED $480,000 FOR THE EXPANSION OF OUR MUSIC/ ART FACILITY, BUT AGAIN DID NOT SUGGEST HOW WE GENERATE LOCAL MATCHING FUNDS IN THE AMOUNT OF $340,000. THERE IS A BILL, SB 2158, ON THE GOVERNOR'S DESK WHICH IF SIGNED MAY PROVIDE THE LOCAL MATCHING FUNDS FOR COMPLETION OF THE THEATER FROM THE STATE SURPLUS FUND. A FOUR MILLION DOLLAR LIBRARY PROJECT SCHEDULED TO BEGIN THIS MONTH WAS TABLED. IF ANY OF YOU WANT TO PURCHASE A COMPLETE SET OF LIBRARY WORKING DRAWINGS, WE MAY HAVE A DEAL FOR YOU.

CONSIDERING THE POTENTIAL CONSEQUENCES OF PROPOSITION 13 ON THE FUTURE OF PALOMAR COLLEGE, I MUST COMMEND THE STAFF FOR THE COOPERATIVE ATTITUDE WHICH WAS DISPLAYED THROUGHOUT THE BUDGET DEVELOPMENT PROCESS.

THE FACULTY EMERGENCY FINANCE AND BUDGET COMMITTEES HAVE MADE SEVERAL SUGGESTIONS AS WE BEGIN PLANNING FOR 1979-80. THEY PROPOSED THAT WE CONTINUE TO EVALUATE THE NEED TO FILL POSITIONS AS RESIGNATIONS OCCUR DURING THE YEAR, AND THAT A POLICY BE DEVELOPED TO ENCOURAGE LATERAL TRANSFER OF STAFF. WITH DECLINING ENROLLMENT IN SEVERAL DEPARTMENTS, A STAFF DEVELOPMENT PROGRAM SHOULD BE DESIGNED TO PREPARE STAFF FOR ASSIGNMENTS IN STUDENT GROWTH AREAS. BECAUSE OF SEVERAL LOW ENROLLMENT CLASSES, A RE-EVALUATION OF THE MINIMUM CLASS SIZE GUIDELINES WAS RECOMMENDED. QUESTIONS WERE ALSO RAISED AS TO THE NEED FOR ELEVEN AND TWELVE MONTH CERTIFICATED CONTRACT

STAFF PROVIDING NON-CLASSROOM SERVICES TO THE INSTITUTION. THE ADMINISTRATION WAS ALSO REQUESTED TO DESIGN A MANAGEMENT SYSTEM WHICH WOULD MAINTAIN HIGH QUALITY SERVICE WITH LESS NON-TEACHING CERTIFICATED STAFF AND TO REVIEW CLASSIFIED SERVICES WHICH COULD BE PROVIDED THROUGH THE ESTABLISHMENT OF A "WORD PROCESSING CENTER." THE GOAL IS TO INCREASE EFFICIENCY OF SERVICE WITH LESS STAFF.

OTHER COMMUNITY COLLEGES IN THE STATE CUT COSTS IN THE SAME AREAS AS DID PALOMAR COLLEGE. SEVERAL COLLEGES ELIMINATED SUMMER SESSION TO OFFSET COST REDUCTIONS DURING THE REGULAR ACADEMIC YEAR. THIS ACTION MAY PROVE TO HAVE A NEGATIVE LONG-RANGE IMPACT BECAUSE OF THE LOSS OF ADA. ALTHOUGH COLLEGES WERE "BLOCK" FUNDED FOR THE ACADEMIC YEAR 1978-79 BASED ON 1977-78 STATE AND LOCAL INCOME WITHOUT CONSIDERATION OF PROJECTED LOSS OR GAIN OF ENROLLMENT, A DROP IN WEEKLY STUDENT CONTACT HOURS MAY REDUCE FUNDING FOR 1979-80. IT IS HIGHLY POSSIBLE THAT ANY FURTHER FINANCE PLAN WILL INCLUDE SOME MEASURE OF PRODUCTIVITY. THE STATE HAS REQUESTED THAT ATTENDANCE RECORDS BE KEPT AND ADA GENERATED BE REPORTED TO THE STATE AS IN THE PAST.

SEVERAL COLLEGES GAVE TERMINATION NOTICE TO CERTIFICATED STAFF BEFORE THE MARCH 15 DEADLINE, BUT RETRACTED SAME SOON AFTER THE APPROVAL OF SB 154. IT IS SAFE TO SAY AFTER THE FACT THAT THESE COLLEGES OVER REACTED IN RESPONSE TO THE POSSIBLE

IMPACT OF PROPOSITION 13. IT IS MY OPINION THAT THE CONSEQUENCES OF SUCH A DECISION SHOULD BE CAREFULLY CONSIDERED BEFORE IMPLEMENTATION.

SHORTLY BEFORE THE APPROVAL OF PROPOSITION 13 AND S. B. 154, SEVERAL COLLEGE DISTRICTS HAD REACHED AGREEMENT ON MULTI-YEAR CONTRACTS WHICH INCLUDED ANNUAL SALARY INCREASES. BY GOVERNOR MANDATE THESE AGREEMENTS WERE NULL AND VOID AND HAD TO BE REOPENED. THAT ACTION, OF COURSE, HAD A POSITIVE IMPACT ON THE MORALE OF ALL INVOLVED.

MANY OF THE SOUTHERN CALIFORNIA COLLEGES ELIMINATED INDIVIDUAL SPORTS, FOR MEN AND WOMEN, AND ONE COLLEGE TERMINATED THE ENTIRE COMPETATIVE SPORTS PROGRAM. TO VARIOUS DEGREES COLLEGES REASSIGNED TO CLASSROOM DUTIES, ADMINISTRATORS AND COUNSELORS. SEVERAL REDUCED OR ELIMINATED RELEASED TIME FOR SENATE AND AFFIRMATIVE ACTION OFFICERS. ONE COLLEGE ELIMINATED ITS SATURDAY COLLEGE OF NINETY CLASSES. ONE COLLEGE DID NOT ALLOW LONGEVITY OR INCREMENT MOVEMENT ON THE SALARY SCHEDULE. ALL COLLEGES WERE FORCED TO REDUCE THEIR UNDISTRIBUTED RESERVES.

AS EVIDENCED IN MY REMARKS, I CANNOT PRESENT YOU WITH A STANDARD PROCEDURE FOR RESPONDING TO FORCED BUDGET REDUCTIONS. BUDGET CUTS MUST RELATE TO EACH COLLEGES' MISSION AS A BASE IN SETTING PRIORITIES OF SERVICES AND PROGRAMS TO BE REDUCED OR ELIMINATED.

THE 105 CALIFORNIA COMMUNITY COLLEGES BEFORE PROPOSITION 13 RECEIVED APPROXIMATELY HALF OF THEIR FINANCING FROM LOCAL PROPERTY TAXES. WITH THE IMPLEMENTATION OF PROPOSITION 13, THE LOSS OF LOCAL REVENUE IS APPROXIMATELY $500,000,000. ALLOCATIONS FROM THE STATE SURPLUS FUND TOOK THE BIG STING OUT OF PROPOSITION 13 FOR ONE YEAR. THE QUESTION STILL REMAINS, WHERE DO WE GO FROM HERE?

OMAR H. SCHEIDT
SUPERINTENDENT/PRESIDENT

OHS/jr

UNIVERSITY OF CALIF.
LOS ANGELES
DEC 1978
CLEARINGHOUSE FOR
JUNIOR COLLEGES